

## CANCELLATION AND REFUND POLICY

Updated March 2007

### General Information

- All refunds will be made according to Washington State statute (RCW 28B.95.110) and will follow the Internal Revenue Service (IRS) §529 rules. See the Master Agreement for more information.
- Units must be held in a GET account for a minimum of two calendar years, determined from the date the units were purchased (date payment received). For Custom Monthly plans, the account must be paid in full or the contract will be cancelled and payments received will be applied to lump sum unit purchases. Exceptions to the two-year wait may include cancellation and refund due to death or disability of the Student Beneficiary, incorrect or misleading information, or as approved by the Program Director.
- **Enrollment Fee** -- The \$50 enrollment fee is non-refundable with the exception of accounts cancelled within 3-working days of receipt.
- **Program Penalty** -- The GET Program may assess a penalty when funds are removed for purposes other than qualified higher education expenses. The program penalty fee is either 10% of the increased value of the units held at the time of the refund, or \$100, whichever is greater.
- **Program Fees** -- A cancellation fee and an administrative processing fee may be assessed. All outstanding fees will be deducted from the refund amount.
- **IRS Penalty** -- Non-qualified withdrawals may be subject to additional taxes and/or penalties by the IRS. Generally, the earnings portion of the distribution is taxed as ordinary income and is subject to a federally mandated 10% penalty tax. Please consult with a tax advisor before requesting a refund to determine any federal income tax ramifications.
- **Refund Value** -- Refunds are made at the current GET unit payout value for all refunds, unless otherwise specified. Call Customer Service at 1-800-955-2318 for the payout value in effect at the time of your request.
- **Partial Refunds** -- Partial refunds are not permitted except for Scholarships and Non-Attendance requests as described in this policy.

### Decision Appeal Process

If the GET Program denies a refund request, the Account Owner may submit a letter to the Director within ten days after notification, asking for reconsideration. If the Director denies reconsideration, the Account Owner may submit a letter to the GET Committee Chair within ten days after notification, asking for reconsideration. The GET Committee Chair will conduct a brief adjudicative proceeding on the merits of the request and render a final decision.

### Refund Process

- Only the Account Owner may request a refund. Complete a REFUND/CANCELLATION CERTIFICATION FORM and include any supporting documents as required. The original REFUND/CANCELLATION CERTIFICATION FORM must be notarized and returned to the following address: GET Director, P.O. Box 43450, Olympia, WA 98504-3450. Faxes will not be accepted.
- At the time a REFUND/CANCELLATION CERTIFICATION FORM is received, the account will be reviewed to determine if the request meets all the requirements. The refund check will be mailed to the Account Owner of the account within 3-6 weeks after the refund request has been approved, or as stated by the statute and outlined in this policy.
- Refund checks are made payable to the Account Owner unless the Account Owner specifies in writing that the refund check should be made payable to the Student Beneficiary.

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#### COMMITTEE MEMBERS

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# Guaranteed Education Tuition – Eligible Cancellations and Refunds

Updated March 2007

Type of Cancellation and Refund	Refund Value	Program Penalty	Program Fee	IRS Tax/Penalty *	Documentation Required / Comments
Notification within 3 working days	All contributions returned including \$50 enrollment fee	N/A	N/A	N/A	<ul style="list-style-type: none"> <li>REFUND/CANCELLATION CERTIFICATION FORM</li> </ul>
Account cancelled within 6 months	All contributions returned less \$50 enrollment fee and any other outstanding fees	N/A	N/A	N/A	<ul style="list-style-type: none"> <li>REFUND/CANCELLATION CERTIFICATION FORM</li> </ul>
Account value less than \$500	All contributions returned less \$50 enrollment fee and any other outstanding fees	N/A	N/A	N/A	<ul style="list-style-type: none"> <li>REFUND/CANCELLATION CERTIFICATION FORM</li> </ul>
Death or Disability of the Student Beneficiary	Current GET unit payout value	N/A	N/A	Earnings portion taxed as ordinary income, no penalty	<ul style="list-style-type: none"> <li>REFUND/CANCELLATION CERTIFICATION FORM</li> <li>Death of the Student Beneficiary: A copy of the Student Beneficiary's death certificate.</li> <li>Disability of the Student Beneficiary: Documentation from a medical professional stating the Student Beneficiary's disability prevents the Student Beneficiary from attending any institution of higher education.</li> </ul>
Scholarship (Includes appointment in a United States military academy)	Current GET unit payout value	N/A	N/A	Earnings portion taxed as ordinary income, no penalty	<ul style="list-style-type: none"> <li>REFUND/CANCELLATION CERTIFICATION FORM</li> <li>Documentation of the scholarship-awarding entity, the scholarship amount and the applicable academic term.</li> <li>Account Owner must re-submit request for scholarship refunds for subsequent years.</li> <li>Up to 125 units per year. Cannot exceed the scholarship amount or amount of eligible units available for that year</li> <li>Can request refund for scholarship received in current academic year or one previous academic year.</li> </ul>
Graduation or Program Completion	Current GET unit payout value	N/A	N/A	Earnings portion taxed as ordinary income and subject to 10% penalty tax.	<ul style="list-style-type: none"> <li>REFUND/CANCELLATION CERTIFICATION FORM</li> <li>Documentation the Student Beneficiary has graduated or completed a degree or certificate program.</li> </ul>
Bankruptcy	Current GET unit payout value	N/A	N/A	Earnings portion taxed as ordinary income and subject to 10% penalty tax.	<ul style="list-style-type: none"> <li>REFUND/CANCELLATION CERTIFICATION FORM</li> <li>Letter from Bankruptcy Trustee with instructions for distribution</li> <li>Copy of Bankruptcy Filing Documents</li> <li>Refund check will be payable per court documents</li> </ul>
Non-attendance	Current GET unit payout value	\$100 or 10% of the account earnings; whichever is greater	\$1.70 per month the account was active  \$10 cancellation fee	Earnings portion taxed as ordinary income and subject to 10% penalty tax.	<ul style="list-style-type: none"> <li>REFUND/CANCELLATION CERTIFICATION FORM</li> <li>Account Owner must re-submit request for non-attendance refund for subsequent years.</li> <li>Refund limited to maximum 125 units per academic year</li> <li>Refunds will be made no sooner than 90 days after receipt of the certification</li> </ul>
Meets Two-Year Wait Requirement	Current GET unit payout value	\$100 or 10% of the account earnings; whichever is greater	\$1.70 per month the account was active  \$10 cancellation fee	Earnings portion taxed as ordinary income and subject to 10% penalty tax.	<ul style="list-style-type: none"> <li>REFUND/CANCELLATION CERTIFICATION FORM</li> <li>Accounts must be held a minimum of 2 calendar years</li> </ul>
Financial Hardship	Current GET unit payout value	\$100 or 10% of the account earnings; whichever is greater	\$1.70 per month the account was active  \$10 cancellation fee	Earnings portion taxed as ordinary income and subject to 10% penalty tax.	<ul style="list-style-type: none"> <li>REFUND/CANCELLATION CERTIFICATION FORM</li> <li>Documentation of financial hardship such as job loss or reduction, bankruptcy, eviction or disconnection of utilities.</li> </ul>

\* Contact a Tax Advisor for further details.